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10 **BEFORE THE INSURANCE COMMISSIONER**  
11 **OF THE STATE OF CALIFORNIA**

12 In the Matter of the Rate Application of  
13 United Financial Casualty Company,  
14 Applicant.

File No.: PA-2024-00003  
SETTLEMENT STIPULATION

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16 United Financial Casualty Company (“Applicant”), Consumer Watchdog (“Petitioner”),  
17 and the California Department of Insurance (“Department”) (collectively, the “Parties”) stipulate  
18 as follows:

19 **RECITALS**

20 A. The Applicant is licensed by the Department to conduct insurance business in  
21 California.

22 B. On December 20, 2023, Applicant filed for a rate increase to its auto line of  
23 insurance (File No. 24-43 [“Application”]) seeking an overall 16.1% rate increase to its Private  
24 Passenger Auto line of business.

25 C. On January 12, 2024, pursuant to California Insurance Code (“CIC”) section  
26 1861.05(c), the Department notified the public of the Application.

27 D. On February 26, 2024, Petitioner submitted a timely Petition for Hearing, Petition  
28 to Intervene, and Notice of Intent to Seek Compensation regarding the Application.

1 E. On March 5, 2024, Applicant filed an Answer to the Petition to Intervene.

2 F. On March 7, 2024 Petitioner filed the Reply in Support of Petition to Intervene.

3 G. On March 12, 2024, the Commissioner granted Petitioner's Petition to  
4 Intervene (only) without ruling on Petitioner's Petition for Hearing and Request for  
5 Compensation, which were reserved for later decision.

6 H. The Parties have engaged in discussions regarding the Application and additional  
7 information and analysis that the Parties provided.

8 I. As a result of the Parties' discussions and negotiations, Applicant updated the  
9 Application per the Parties' agreement.

10 **STIPULATION**

11 1. This Stipulation, together with the updated Application, amended in accordance  
12 with this Stipulation, and the Commissioner's approval of the Application in SERFF, represents  
13 the complete and final settlement resolving all issues between the Parties regarding the  
14 Application.

15 2. Based upon the Application and additional information that the Parties provided,  
16 the Parties agree and find based on their respective actuarial analyses that an overall rate increase  
17 of 11.24%, implemented for policies with a target effective date of on or after January 1, 2025, is  
18 supportable and results in rates that are not excessive, not inadequate, and not unfairly  
19 discriminatory as they are within range of the minimum and maximum indicated permissible rate  
20 changes calculated by the Parties. The Parties further agree that the stipulated rate changes  
21 reflected herein are the result of voluntary negotiations based upon review of information that has  
22 been made public, and that this Stipulation will result in a rate change that is fair, adequate,  
23 reasonable, and in the interests of justice and the public interest as it will help promote available  
24 and affordable insurance options for California consumers. The Parties also agree that the overall  
25 rate increase of 11.24% will be implemented for policies with a target effective date on or after  
26 January 1, 2025, in accordance with this Stipulation, the updated Application, and the  
27 Commissioner's approval in SERFF. The Parties further agree to the changes by coverage set  
28 forth below:

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Coverage	Stipulated Rate Change
BI	+ 5.14%
PD	+ 7.50%
MP	- 4.00%
UM	+ 20.69%
UMPD	+ 10.50%
COMP	+ 55.00%
COLL	+ 3.5%
MPD	+ 7.10%
<b>All Coverages</b>	<b>+ 11.24%</b>

Applicant's California written premium for its Private Passenger Auto line of insurance for the most recent available prior calendar year (2023) was \$1,005,871,752.

3. Consistent with 10 CCR sections 2656.1(b) and 2662.3(c), no agreement regarding Petitioner's compensation has been made. However, the Parties agree that the Commissioner's approval of the Application, consistent with this Stipulation, will be a decision or order within the meaning of CIC section 1861.10(b). Petitioner agrees to submit any request for compensation to the Public Advisor within 30 days after notice of the Commissioner's approval in SERFF.

4. Petitioner agrees to withdraw its Petition for Hearing, effective as of the date of execution of this Stipulation, within 10 days after notice of the Commissioner's approval in SERFF, provided the Application is approved by the Commissioner in SERFF in accordance with the overall rate indication set forth in paragraph 2.

5. This Stipulation is made solely to reach a compromise among the Parties. The Commissioner's approval of the Application shall not constitute approval of or precedent regarding any principle or any issue in any other proceeding.

6. This Stipulation does not constitute an endorsement or approval of models generally, or any specific model, eligibility, or nonrenewal criteria or rating methodology.

1           7.       The Commissioner retains jurisdiction to ensure that the Parties comply with this  
2 Stipulation.

3           8.       Nothing contained in this Settlement Stipulation constitutes a limitation upon, or a  
4 waiver of, the rights and powers of the Commissioner to enforce any California law, to examine  
5 the rating practices of the Applicant or to take such other action as necessary to protect the public.

6           9.       This Stipulation may be executed in counterparts.

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8 Dated: December 12, 2024

UNITED FINANCIAL CASUALTY COMPANY

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By   
Christopher Cashman

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13 Dated: December 10, 2024

CONSUMER WATCHDOG

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By   
Benjamin Powell

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18 Dated: December 12, 2024

CALIFORNIA DEPARTMENT OF INSURANCE

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By   
Daniel Wade  
*Attorneys for the California Department  
of Insurance*

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